Supreme Court, U.S.
FILED
OCT 21 1987
JOSEPH F. SPANIOL, JR.
CLERK

No. 87-489

In the Supreme Court of the United States

October Term, 1987

COHERENT, INC.,

Petitioner,

v.

SPECTRA-PHYSICS, INC.,

Respondents.

BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI

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TOPICAL INDEX

Page

Statement Of The Case 1

Summary Of Argument 5

Argument

There Was No "Appellate Fact Finding" 7

The *Panduit* Case 11

Coherent Waived Trial by Jury on Best Mode 12

Conclusion 14

TABLE OF AUTHORITIES CITED

Cases Page

Dennison Mfg. Co. v. Panduit Corp., 106 S.Ct. 1578 (1986) 6, 7, 11
Dennison Mfg. Co. v. Panduit Corp., 107 S.Ct. 187 (1987) 11
Goodyear Tire & Rubber Co. v. Ray-O-Vac Co., 321 U.S. 275 (1944) 11
In re Nelson, 280 F.2d 172 (CCPA 1960) 10
In re Sherwood, 613 F.2d 809 (CCPA 1980) 9, 10
Panduit Corp. v. Dennison Mfg. Co., 810 F.2d 1561 (Fed.Cir. 1987) 11, 12

Statutes

28 United States Code
§1295(a)(1) 6
35 United States Code
§103 ..... 2, 5
§112 ..... 5, 7, 11

Rules

Supreme Court
Rule 17 6
Rule 34.2 1
Federal Rules of Civil Procedure
Rule 49(a) 12
Rule 52(a) 11

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STATEMENT OF THE CASE

Because there are inaccuracies and omissions of some substantial importance in petitioner's Statement of the Case, respondent provides this Statement pursuant to Supreme Court Rule 34.2.

All of the claims in both patents in suit were held invalid by both the district court and the appellate court for failure to make adequate disclosure of the subject matter therein. In addition, the jury (A-42, Answer to Jury Interrogatory No. 13) returned a verdict that 23 of the claims in the two patents in suit were obvious over the prior art and the district court entered a judgment (A-36) of invalidity as to these claims under

35 U.S.C. 103. The district court also granted directed verdicts of non-infringement as to six other claims in the patents. The judgments of invalidity by reason of obviousness and of non-infringement were not appealed. Thus, only four subsidiary claims of the two patents are directly affected by the present petition and it is not accurate for petitioner to assert (Petition, p. 6) that these are "extremely important" patents.

Furthermore, the jury also returned a verdict that (A-39, Answer to Interrogatory No. 5) Coherent knew of earlier work by Spectra-Physics on the same subject matter as that described in the patents:

> "Do you find by clear and convincing evidence that the work of Wright and Riley at Spectra-Physics in 1977-1978 was disclosed to Hobart and Mefferd directly or indirectly and known by them?
>
> Yes X No _____"

The work done by Wright and Riley at Spectra-Physics which was known to Hobart and Mefferd of Coherent before Coherent commenced any work on the subject matter of the patents in suit was essentially the same as that done by Coherent with one important exception, namely, Coherent solved the problems with brazing with a titanium-copper-silver material (known as "TiCuSil") which had stubbornly resisted solution by Spectra-Physics for several years. The solution to these brazing problems took Coherent several more years to solve. However, the patents in suit do not disclose the solution to the brazing problem which Coherent devised. Accordingly, the district court found (A-26)

> "3. A person of ordinary skill in the art of laser design and manufacture would not derive from the patents in suit sufficient brazing

information to enable the manufacture of the laser, without the same brazing problems encountered by Coherent and by Wright and Riley. (Tr. 2604, 2605)."

In addition, the district court held (A-31):

"3. The six-stage braze cycle employed by Coherent, and developed by it, are necessary to the enjoyment of the invention taught by the patents in suit by a person skilled in the art of laser construction, and are not *sufficiently disclosed* by the patents in suit." (emphasis in original)

The district court also entered the following findings (A-26, 27):

"2. The use to which Coherent put the TiCuSil braze material was, and was known to be by Coherent at the time, *contrary to criteria for the use of TiCuSil* as contained in the literature.

* * * *

9. The reference to brazing as used in the patents and the extraneous texts (Kohl, Wesgo Brochure) relied upon by Coherent, *do not describe for the benefit of one skilled in* construction of the Hobart apparatus by means of *brazing*." (emphasis added)

These findings were expressly adopted by the appellate court (A-18-20). The appellate court and the trial court were unanimous in recognizing the importance of brazing and in recognizing the fact that it had not been adequately disclosed.

Accordingly, rather than engaging in any appellate fact finding, the appellate court differed only with the district court on the statutory language ("best mode")

which should be used to invalidate the patents in suit. The Federal Circuit explained this as follows (A-19, 20):

> "Where the district court went wrong on the law while reaching the right result is starkly revealed in its conclusions of law. Under the heading of 'BEST MODE' is this conclusion:
>
> > 4. There was no concealment deliberate or otherwise by Hobart or Mefferd of the brazing process as the best mode of bonding the heating web to the alumina tube.
>
> As we have pointed out, however, *this refers to brazing in general, no!* the *actual brazing* cycle with TiCuSil and all of the parameters which Coherent found to be its best mode, admittedly not disclosed." (emphasis added)

Thus, the appellate court plainly held that the district court used the wrong legal standard in reaching its conclusion with regard to concealment. As summed up by the Federal Circuit (A-20):

> "The trial court evidently had a grasp on the essential facts but somehow got them into the wrong legal pigeonholes."

Another inaccuracy in petitioner's Statement of the Case is the incomplete and mischaracterized statement by the Chairman of the Board of Spectra-Physics with regard to Coherent's laser. This statement was made *before* Spectra knew what Coherent intended to introduce to the market and the complete statement was:

> "Coherent is *on the threshold* of *introducing some* devastatingly competitive new products." (emphasis added)

Once the Coherent laser came on the market, the Spectra reaction changed to "there were certainly far more features contained in the rumors than were ultimately contained in the laser". This is, of course, reflected in the jury verdict and judgment that most of the claims in both of the patents were "obvious to a person ordinarily skilled in the laser art" and "therefore invalid under 35 U.S.C. 103" and the directed verdict that six of the claims in the two patents were not infringed. (A-36, numbered paragraphs 2-4).

SUMMARY OF ARGUMENT

This is a conventional patent infringement action and involves no unsettled question of law. There were two patents in suit and each has twice been held invalid in this action for failure to make adequate disclosure to the public of the technology to which the patents are directed. Both the District Court for the Northern District of California and the Court of Appeals for the Federal Circuit ruled that the patents in suit are invalid for noncompliance with 35 U.S.C. 112 which requires, inter alia, that a patent must set forth a full disclosure which will "enable any person skilled in the art" to make and use the subject matter of the patent and to set forth the "best mode contemplated by the inventor" of carrying out that subject matter.

The disclosure requirements of Section 112 of the Patent Act are deeply rooted in the very reason for the existence of the patent system of the United States, *viz.*, the encouragement of *useful* disclosures in patents in return for a 17-year period of exclusivity. This policy interest was given effect by the rulings of both the trial and appellate courts in this case. The Federal Circuit differed from the district court only with regard to the particular statutory language in 35 U.S.C. 112 which should be used as the basis for patent invalidity.

Even though the Federal Circuit *adopted* the relevent findings of the trial court and *affirmed* the decision of the district court, the "Question Presented" set forth in the Petition is that the appellate court engaged in "improper appellate fact-finding". This is not so. The appellate court simply ruled that "the district court went wrong on the law while reaching the right result" (A-18). Accordingly, the conclusory "concealment" finding of the District Court, upon which the petition places some emphasis, was held on appeal to have employed an incorrect legal standard. The appellate court then ruled, based on the remaining findings of fact by the district court, that the quality of disclosure was so poor as to result in concealment and that the "complete lack of detail" in the patents "effectively resulted in concealment" (A-19).

The petition for certiorari does not even make a pretense of suggesting that this case presents an issue of general importance or that the decision by the Court of Appeals for the Federal Circuit is in conflict with the precedent of this Court. Since the Federal Circuit has exclusive jurisdiction of appeals in patent cases, 28 U.S.C. 1295(a)(1), the question of conflicts with other circuits does not arise. Indeed, the petition appears to have been prepared without any awareness of the guidelines set forth in Rule 17 of this Court.

Petitioner's further assertion (Petition, p. 7) that improper fact finding by the Federal Circuit "has become a problem" is entirely without basis. Petitioner's reference to the remand to the Federal Circuit ordered by this Court in *Dennison Mfg. Co. v. Panduit Corp.*, 106 S.Ct. 1578 (1986), in support of this assertion is improper because (a) *Panduit* was a case in which the appellate court set aside findings made by the trial court

and reversed on the merits (unlike the present case where the court adopted district court findings and affirmed) and (b) because petitioner has failed to call this Court's attention to subsequent proceedings in *Panduit* which entirely refute any notion that a "problem" exists at the Federal Circuit or that this Court views the result reached in *Panduit* with askance.

ARGUMENT

There Was No "Appellate Fact Finding"

Petitioner, incorrectly, urges that the Court of Appeals engaged in "appellate fact-finding" (Petition, p. 5). This is plainly not so because not only did the appellate court *affirm* (A-21) the district court's judgment that the patents in suit are invalid for non-compliance with the full disclosure requirements of 35 U.S.C. 112, but it gave full effect to the pertinent fact findings of the district court and merely took a different view of the particular statutory language which should be invoked to invalidate the patents.[1]

In the words of the Federal Circuit:

> "The district court recognized that the [patent] specifications were inadequate under § 112, but incorrectly based its decision on a lack of enablement." (A-12); and
>
> "The trial court evidently had a grasp on the essential facts but somehow got them into the wrong legal pigeonholes" (A-20)

The Federal Circuit, after stating that, in general, "we do not disagree with the facts as found by the district

---

[1]The Federal Circuit found violation of the "best mode" requirement of Section 112 whereas the district court ruled that the enabling disclosure requirement was not met.

court." (A-17), went on to say that it was "*only* the court's ultimate conclusion that the best mode requirement was satisfied that we reject." (A-18) Most tellingly, the Federal Circuit then explicitly adopted the findings made by the district court as follows:

> "*The facts found by the district court,* when placed in the proper framework, *plainly demonstrate* that the TiCuSil brazing technique used by Coherent *was not adequately disclosed.* The court stated in findings of fact under the heading 'ENABLEMENT':
>
> > 2. The use to which Coherent put the TiCuSil braze material was, and was known to be by Coherent at the time, contrary to criteria for the use of TiCuSil as contained in the literature.
>
> and again,
>
> > 9. The reference to brazing as used in the patents and the extraneous texts (Kohl, Wesgo Brochure) relied upon by Coherent, do not describe for the benefit of one skilled in the art of laser construction the manner in which the Mefferd method is usable for the construction of the Hobart apparatus by means of [TiCuSil] brazing.
>
> *The district court also found* that the inventors were aware of the problems associated with TiCuSil:
>
> > 4. The known difficulty recognized by Hobart and Mefferd in working with TiCuSil as a braze material for the purpose to which they put it is reflected in Hobart's

> disclosure dated March 1, 1979 . . . that the titanium-copper-silver process is 'not preferred as compared with what is called the molymanganese technique which produces stronger and also less leak-prone seals' and essentially the same language in the May, 1979 patent disclosure signed by all of Hobart, Mefferd and Johnston.
>
> *Coherent admits that its braze cycle is not disclosed in either patent nor is it contained in the prior art."* (A-18, 19) (emphasis added)

The Federal Circuit then reiterated that its only disagreement with the district court regarded the law, not the facts, when it said:

> "Where the district court went *wrong on the law* while *reaching the right result* is starkly revealed in its conclusions of law." (A-19) (emphasis added)

In spite of this plain record of *adoption,* not rejection, by the Federal Circuit of the facts as found by the district court, Petitioner argues that the Federal Circuit engaged in appellate fact-finding when it ruled, as a matter of law, that the concealment finding made by the district court:

> ". . . refers to *brazing in general, not* the actual brazing cycle with TiCuSil and all of the parameters which *Coherent found to be its best mode,* admittedly not disclosed." (A-20) (emphasis added)

The law which the Federal Circuit applied to these facts, as found by the district court, was that pronounced in *In re Sherwood,* 613 F.2d 809, 816 (CCPA 1980),

where, as noted by the Federal Circuit (A-18) it was held that "Even though there may be a general reference to the best mode, the quality of the disclosure may be so poor as to effectively result in concealment."

The holdings of invalidity by both the trial and appellate courts are in keeping with the needs of an effectively functioning patent system. More than 25 years ago, the predecessor court of the Federal Circuit said, in *In re Nelson,* 280 F.2d 172, 184 (CCPA 1960):

> "One cannot read the wording of section 112 without appreciating that strong language has been used for the purpose of compelling complete disclosure. There always exists, on the part of some people, a selfish desire to obtain patent protection without making a full disclosure, which the law, in the public interest, must guard against. Hence . . . the 'best mode' requirement does not permit an inventor to disclose only what he knows to be his second-best embodiment, retaining the best for himself."

Thus, the district court, in making its concealment finding, used the wrong legal standard for evaluating the question of whether the best mode had been set forth because it analyzed the situation at a legally incorrect level of detail and incorrectly considered the mere generic mention of "brazing" to be legally sufficient. The Federal Circuit properly recognized that, under plainly applicable precedent, this disclosure in the patents was so general and so lacking in detail that the *quality* of disclosure was "so poor as to effectively result in concealment," *Sherwood, supra.*

Thus, given the fact that both the trial court and the appellate court have agreed that the patents in suit are

invalid for failure to make adequate disclosure as required by 35 U.S.C. 112, Coherent's petition is nothing more than an effort to relitigate this issue in this Court, a practice this Court has repeatedly discouraged, e.g., *Goodyear Tire & Rubber Co. v. Ray-O-Vac Co.*, 321 U.S. 275, 278 (1944).

The *Panduit* Case

Petitioner's attempt to find support for its "appellate fact-finding" argument in the remand ordered by this Court in *Dennison Mfg. Co. v. Panduit Corp.*, 106 S.Ct. 1578 (1986), is plainly misplaced. In *Panduit*, unlike the present case, the Federal Circuit *reversed* the district court and *rejected* findings of fact made by the trial court, but without explicit discussion of Rule 52(a) and without a fully articulated "clearly erroneous" analysis. This Court simply remanded for explication of the Circuit's reasoning and did not reach the merits.

Upon remand, in *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561 (Fed.Cir. 1987) (hereinafter "*Panduit II*"), the Federal Circuit restated its reasons for its decision and reached the same conclusions as those reached in its earlier decision. A petition for certiorari was again filed and this time was denied, *Dennison Mfg. Co. v. Panduit Corp.*, 107 S.Ct. 187 (1987).

Thus, upon elucidation by the Federal Circuit in *Panduit II*, this Court found no basis to give that case further attention and there is no basis for Petitioner's derogatory assertion (Petition, p. 7) that there is a "problem with the Federal Circuit in its treatment of findings made by district courts." Rather, this assertion

appears to be an attempt to create the illusion of something that does not exist.[2]

Coherent Waived Trial by Jury on Best Mode

Petitioner Coherent severely overreaches when it argues (Petition, p. 4, fn. 1) that "the appellate court ignored the findings of the jury" in affirming the district court. The indisputable facts are that (a) both the appellate court (A-16, 17) and the district court (A-34, 35) ruled that the case was submitted to the jury as a special verdict under Rule 49(a) of the Federal Rules of Civil Procedure and not as a general verdict and (b) that the appellate court affirmed the district court's ruling that Coherent had waived trial by jury on the best mode issue by agreeing without objection to an introduction to the jury interrogatory on best mode which did not require that an answer be given (A-16, 17). The latter fact is admitted in Coherent's petition (p. 4, fn. 1).

As noted by the district court in its Order (A-34, 35) denying petitioner Coherent's post-trial motion for reconsideration, petitioner's jury argument, repeated here, was an after-thought argument made only after the case had been decided against it and was at odds with the position taken by Coherent during all earlier stages of the trial. This after-thought argument, made long after the jury had been discharged and only after the district court had filed its findings deciding the case against Coherent, has absolutely no substance and, accordingly, failed at both the trial and appellate levels.

This improper attempt to inject jury considerations into the picture is also totally irrelevant to the question

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[2]Petitioner's failure to call this Court's attention to *Panduit II* and to the denial of certiorari therein is reasonably suggestive of such an attempt.

which the petition says it presents, namely, purported "appellate fact finding" which is said to have been done "in the face of *contrary* findings of fact by the *District Court.*" It was the district court which first ruled that the after-thought jury argument made by Coherent had no merit and this ruling was affirmed by the Federal Circuit. There is, accordingly, absolutely no basis in the record for an argument that the appellate court differed with the district court with regard to any jury matter.

CONCLUSION

There was no appellate fact finding by the Federal Circuit in this case and the petition unfairly castigates the Federal Circuit for having a "problem" and engaging in a "practice" regarding fact finding which quite plainly do not exist. This case has no general importance whatsoever and does not warrant attention by this Court.

Respectfully submitted,

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PROOF OF SERVICE BY MAIL

State of California

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I, the undersigned, say: I am and was at all times herein mentioned, a citizen of the United States and a resident of the County of Los Angeles, over the age of eighteen (18) years and not a party to the within action or proceeding; that my business address is 11333 Iowa Avenue, Los Angeles, California 90025; that on October 20, 1987, I served the within *Brief in Opposition to Petition for Certiorari* in said action or proceeding by depositing true copies thereof, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail at Los Angeles, California, addressed as follows:

Clerk, United States
Supreme Court
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I declare under penalty of perjury that the foregoing is true and correct. Executed on October 20, 1987, at Los Angeles, California.

Siri Ved Kaur Khalsa
(Original signed)